



*Note – This meeting will be transmitted via Facebook Live on the City of Tonganoxie page

Honorable Jason K. Ward, Mayor
Council Members
Rocky Himpel Jamie Lawson
Curtis Oroke Kara Reed Loralee Stevens

Open Regular Meeting – 7:00 p.m.

I. Pledge of Allegiance

II. Approval of Minutes – Regular meeting dated February 05, 2018

III. Consent Agenda

- a) Review bill payments

IV. Open Agenda

Members of the public are welcome to use this time to comment about any matter relating to City business. The comments that are discussed under Open Agenda may or may not be acted upon by the Council during this meeting. In order to speak during open agenda, you must sign up with your name and address with the city clerk or designee **before the meeting**. Comments will be limited to 3 minutes. Please wait to be recognized by the Mayor and **state your name and address** for the record.

V. Old Business

VI. New Business

- a) Police Department - Presentation of award from American Automobile Association (AAA) of Kansas
- b) Police Department - Introduction of newly promoted officers
- c) Resolution No. 02-18-02; Authorizing the offering for sale of General Obligation Bonds for the Library
- d) City Manager Agenda
 - 1. Budget Book
 - 2. January Financial Report
- e) City Attorney Agenda
- f) Mayor Agenda
 - 1. Executive session for the discussion of non-elected personnel matters
- g) Mayor Pro Tem Agenda
- h) City Council Agenda

VII. Information & Communications (No Action Required)

VIII. Adjourn

City Council Meeting Draft Minutes

February 5, 2018

7:00 p.m. Regular Meeting



I. Pledge of Allegiance

- Mayor Ward opened the meeting at 7:00 p.m.
- Roll Call – Council members present were Ms. Reed, Mr. Himpel, Ms. Stevens, Mr. Lawson, Mr. Oroke, and Mayor Ward. City Manager George Brajkovic, Assistant City Manager Dan Porter, and City Attorney Shannon Marcano were also in attendance.
- Mr. David Ayers associated with Troop 357 led the Pledge of Allegiance.

II. Approval of Minutes

- **Ms. Reed moved to approve the minutes from the January 22, 2018 City Council meeting. Mr. Lawson seconded.**
Mayor Ward asked for a vote on the motion.
All ayes. Motion carried.

III. Approval of Consent Agenda

- **Mr. Lawson moved to approve the consent agenda. Ms. Stevens seconded.**
Mayor Ward asked for a vote on the motion.
All ayes. Motion carried.

IV. Open Agenda

- Mr. Dave Ayers, Scout Master for Troop 357, addressed the City Council and introduced his troop of scouts in attendance, their trips, and their activities with the city.
- Mayor Ward thanked the Scout Troop 357 for their attendance and noted their importance to the city as volunteers and leaders of the community.
- Mr. David Ayers talked about his current Eagle Scout project coming soon. Mr. Ayers told about a planned upcoming project for the planters for trees along 4th Street and his idea is to add mulch to the trees.
- Mayor Ward closed the open agenda period.

V. Old Business

- No items.

VI. New Business

- a) **Resolution No. 02-18-01 – Request to consider a waiver of pet licensing fees in conjunction with a rabies and micro chipping event.**
- Mr. Brajkovic introduced the item and Monica Gee, who is a part of the Southern Leavenworth County Leadership program project. Mr. Brajkovic stated that the waiver has a minimal financial impact, but also has a larger positive impact on the community.
 - Ms. Monica Gee, 17685 214th Street, outlined that the project is requesting to waive the fee in order to encourage the City residents to vaccinate, spay/neuter, prevent rabies, and microchip their pets. This would decrease lost pets and animal calls to animal control as pets would be microchipped, and make animals in the community safer to the public. The goal is 50 pets, but they can support up to 300, and the program wants to grow the project into the future with minimal paperwork and costs. A state licensed veterinarian would be monitoring the event and is partnered with Hope Clinic that will also provide additional coupons.
 - Mayor Ward asked whether a wand for animal control was available and who has them.
 - Mr. Brajkovic explained that the Police Chief has mentioned that the Department does have one wand available for animal microchip tracking.
 - **Ms. Reed made a motion to approve the resolution. Mr. Oroke seconded the motion.**
Mayor Ward asked for a roll call vote on the motion.
All ayes. Motion carried.
- b) **City Manager Agenda**
1. **Property Disposition Update**
 - Mr. Brajkovic informed the City Council of the plan to publish a notice through the rest of February on the City's website and newspaper of the potential disposition/sale. Mr. Brajkovic suggested a broadcast through the *Tonganoxie Mirror* and the City website.
 - Mayor Ward asked if this was long enough to post the opportunity on the website and the *Mirror*.

- Mr. Brajkovic responded that he did believe it was a sufficient opportunity based on the level of interest expressed by several potential applicants regarding the public process.

2. City Newsletter Update

- Mr. Brajkovic presented a January 2018 City Newsletter that was recently printed for the public as it shares citywide updates with the community.
- Ms. Reed thanked staff for preparing this communication piece.
- Mr. Brajkovic shared that the City's intern, Elizabeth Andrews, created the newsletter product and he wanted her to be recognized for her work.
- Mr. Brajkovic provided a reminder that the next City Council meeting will not be February 19th and will instead be on February 20th, as the 19th is President's Day.
- Mr. Brajkovic also introduced Olivia Ortiz, senior from Piper High School, who shadowed the City Manager's Office throughout the day due to her interest in a career in public service.
- Ms. Olivia Ortiz stated that she was impressed by government in small cities and that she has been able to meet a lot of helpful people. She thanked the city for sharing their expertise.
- Mayor Ward welcomed Ms. Ortiz to the community and thanked her for her interest in public service.

c) City Attorney Agenda

- No reports.

d) Mayor Agenda

1. Executive Session

- Mayor Ward asked to first address items E and F on the agenda.
- Mr. Brajkovic mentioned that staff would like to propose 10 minutes for this discussion.
- Ms. Marcano presented example language of a motion to move that the City Council recess into executive session to discuss an individual employee's performance evaluation, pursuant to non-elected personnel matter exception - KSA 75-4319b1, for a period not to exceed 10 minutes, to include the City Manager, Assistant City Manager, and City Attorney.
 - **Mr. Lawson made the motion to move to the executive session as described by the City Attorney. Mr. Oroke seconded the motion.**
Mayor Ward asked for confirmation on the vote.
All ayes. Motion carried.
 - **Ms. Reed made a motion to return from executive session. Mr. Oroke seconded the motion.**
Mayor Ward asked for a roll call vote on the motion.
All ayes. Motion Carried.

2. Mayor Pro Tem Agenda

- No reports.

3. City Council Agenda and Comments

- No reports.

VII. Information & Communications (No Action Required)

VIII. Adjourn

- **Ms. Reed made a motion to adjourn the meeting. Mr. Oroke seconded the motion. Mayor Ward asked for confirmation on the vote. All ayes. Motion carried.**

Meeting adjourned at 7:40 p.m.

Respectfully submitted,



Dan Porter, Assistant City Manager



City of Tonganoxie, KS

Check Report

By Check Number

Date Range: 02/01/2018 - 02/14/2018

| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|-----------------------------------|------------------------------------|--------------|--------------|-----------------|----------------|--------|
| Bank Code: AP Bank-AP Bank | | | | | | |
| 0025 | APAC-KANSAS, INC | 02/02/2018 | Regular | 0.00 | 261.34 | 44477 |
| 0034 | AT&T ACCESS TRANSPORT SERVICES | 02/02/2018 | Regular | 0.00 | 74.49 | 44478 |
| 0051 | BG CONSULTANTS INC | 02/02/2018 | Regular | 0.00 | 6,212.00 | 44479 |
| 0056 | BLUE CROSS AND BLUE SHIELD | 02/02/2018 | Regular | 0.00 | 25,620.76 | 44480 |
| 0185 | FERRELLGAS | 02/02/2018 | Regular | 0.00 | 2,316.35 | 44481 |
| 0189 | FIRST STATE BANK & TRUST | 02/02/2018 | Regular | 0.00 | 4,295.52 | 44482 |
| 0198 | FRANK ROBISON | 02/02/2018 | Regular | 0.00 | 1,400.00 | 44483 |
| 0809 | FREESTATE ELECTRIC COOPERATIVE INC | 02/02/2018 | Regular | 0.00 | 205.39 | 44484 |
| 0243 | HIMPEL LUMBER & BUILDING SUPPL | 02/02/2018 | Regular | 0.00 | 455.38 | 44485 |
| 0248 | HOLLIDAY SAND & GRAVEL COMPANY | 02/02/2018 | Regular | 0.00 | 862.73 | 44486 |
| 0250 | HONEYCREEK DISPOSAL SERVICE | 02/02/2018 | Regular | 0.00 | 25,736.75 | 44487 |
| 0251 | HOUSE OF APPAREL | 02/02/2018 | Regular | 0.00 | 96.72 | 44488 |
| 0308 | KANSAS STATE TREASURER | 02/02/2018 | Regular | 0.00 | 2,060.50 | 44489 |
| 0330 | KANSAS GAS SERVICE | 02/02/2018 | Regular | 0.00 | 1,049.91 | 44490 |
| 0338 | KANSAS SECURED TITLE-LV CO. | 02/02/2018 | Regular | 0.00 | 100.00 | 44491 |
| 0345 | KATHLEEN MCBRATNEY | 02/02/2018 | Regular | 0.00 | 375.00 | 44492 |
| 0348 | KBI | 02/02/2018 | Regular | 0.00 | 800.00 | 44493 |
| 0350 | KDHE | 02/02/2018 | Regular | 0.00 | 320.00 | 44494 |
| 0410 | LIBERTY NATIONAL | 02/02/2018 | Regular | 0.00 | 237.82 | 44495 |
| 0909 | MARVIN MUNOZ | 02/02/2018 | Regular | 0.00 | 75.00 | 44496 |
| 0857 | MIDCONTINENT COMMUNICATIONS | 02/02/2018 | Regular | 0.00 | 115.10 | 44497 |
| 0542 | QUILL | 02/02/2018 | Regular | 0.00 | 153.60 | 44498 |
| 0555 | RICOH USA, INC. | 02/02/2018 | Regular | 0.00 | 29.96 | 44499 |
| 0568 | SAMS CLUB | 02/02/2018 | Regular | 0.00 | 94.97 | 44500 |
| 0614 | T-MOBILE | 02/02/2018 | Regular | 0.00 | 535.25 | 44501 |
| 0628 | TODD'S TIRE LLC | 02/02/2018 | Regular | 0.00 | 1,376.00 | 44502 |
| 0630 | TONGANOXIE LIBRARY BOARD | 02/02/2018 | Regular | 0.00 | 167,514.45 | 44503 |
| 0642 | U S POSTAL SERVICE | 02/02/2018 | Regular | 0.00 | 1,082.84 | 44504 |
| 0677 | WILLIAM PRAY | 02/02/2018 | Regular | 0.00 | 600.00 | 44505 |
| 0684 | WIRENUTS | 02/02/2018 | Regular | 0.00 | 50.85 | 44506 |
| 0015 | ALL SEASONS CAR WASH | 02/09/2018 | Regular | 0.00 | 112.22 | 44507 |
| 0840 | BAYSINGERS STORE | 02/09/2018 | Regular | 0.00 | 345.94 | 44508 |
| 0700 | BUSHYHEAD LLC | 02/09/2018 | Regular | 0.00 | 5,130.00 | 44509 |
| 0115 | CONRAD FIRE EQUIPMENT, INC. | 02/09/2018 | Regular | 0.00 | 2,155.85 | 44510 |
| 0136 | DELTA DENTAL PLAN OF KANSAS,IN | 02/09/2018 | Regular | 0.00 | 2,145.84 | 44511 |
| 0800 | EVERLASTING SIGN | 02/09/2018 | Regular | 0.00 | 559.81 | 44512 |
| 0205 | GALL'S LLC | 02/09/2018 | Regular | 0.00 | 146.26 | 44513 |
| 0910 | IOWA SAFE SCHOOLS | 02/09/2018 | Regular | 0.00 | 105.00 | 44514 |
| 0330 | KANSAS GAS SERVICE | 02/09/2018 | Regular | 0.00 | 2,435.32 | 44515 |
| 0360 | KEY EQUIPMENT & SUPPLY CO | 02/09/2018 | Regular | 0.00 | 45.75 | 44516 |
| 0365 | KS MUNICIPAL INSURANCE TRUST | 02/09/2018 | Regular | 0.00 | 33,491.00 | 44517 |
| 0397 | LEAGUE OF KANSAS MUNICIPALITIE | 02/09/2018 | Regular | 0.00 | 75.00 | 44518 |
| 0421 | LV CO REGISTER OF DEEDS | 02/09/2018 | Regular | 0.00 | 32.00 | 44519 |
| 0857 | MIDCONTINENT COMMUNICATIONS | 02/09/2018 | Regular | 0.00 | 152.69 | 44520 |
| 0496 | ONE CALL CONCEPTS | 02/09/2018 | Regular | 0.00 | 85.20 | 44521 |
| 0500 | OREILLY AUTO PARTS | 02/09/2018 | Regular | 0.00 | 329.07 | 44522 |
| 0503 | PACE ANALYTICAL SERVICES INC | 02/09/2018 | Regular | 0.00 | 454.00 | 44523 |
| 0516 | PLAKES TREE SERVICE | 02/09/2018 | Regular | 0.00 | 850.00 | 44524 |
| 0548 | RECORDNEWS | 02/09/2018 | Regular | 0.00 | 863.45 | 44525 |
| 0579 | SECURITY BENEFIT - 457 | 02/09/2018 | Regular | 0.00 | 2,219.23 | 44526 |

Check Report

Date Range: 02/01/2018 - 02/14/2018

| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|---------------|---------------------------------|--------------|--------------|-----------------|----------------|--------|
| 0876 | TONGANOXIE BUSINESS ASSOCIATION | 02/09/2018 | Regular | 0.00 | 1,200.00 | 44527 |

Bank Code AP Bank Summary

| Payment Type | Payable Count | Payment Count | Discount | Payment |
|----------------|---------------|---------------|-------------|-------------------|
| Regular Checks | 72 | 51 | 0.00 | 297,042.31 |
| Manual Checks | 0 | 0 | 0.00 | 0.00 |
| Voided Checks | 0 | 0 | 0.00 | 0.00 |
| Bank Drafts | 0 | 0 | 0.00 | 0.00 |
| EFT's | 0 | 0 | 0.00 | 0.00 |
| | 72 | 51 | 0.00 | 297,042.31 |

All Bank Codes Check Summary

| Payment Type | Payable Count | Payment Count | Discount | Payment |
|----------------|---------------|---------------|-------------|-------------------|
| Regular Checks | 72 | 51 | 0.00 | 297,042.31 |
| Manual Checks | 0 | 0 | 0.00 | 0.00 |
| Voided Checks | 0 | 0 | 0.00 | 0.00 |
| Bank Drafts | 0 | 0 | 0.00 | 0.00 |
| EFT's | 0 | 0 | 0.00 | 0.00 |
| | 72 | 51 | 0.00 | 297,042.31 |

Fund Summary

| Fund | Name | Period | Amount |
|------|----------------------|--------|-------------------|
| 998 | Gen Fund-Pooled Cash | 2/2018 | 297,042.31 |
| | | | 297,042.31 |



Police Department
AGENDA STATEMENT

DATE: February 20, 2018
To: Honorable Mayor Jason K. Ward and Members of the City Council
FROM: Jeff Brandau, Police Chief
SUBJECT: Police Acceptance of Award from American Automobile Association (AAA)

DISCUSSION:

The City of Tonganoxie Police Department received notice that it will be presented with the AAA Kansas Gold Award for Community Traffic Safety. This award, the second highest in the series of possible awards, is awarded in recognition of the department's many safety initiatives that impact the lives of motorists and residents throughout the Tonganoxie community. The purpose of the AAA Kansas Community Traffic Safety Award is to encourage Kansas communities and counties to address local traffic safety issues in a coordinated and cost-effective way, and recognize efforts accordingly. Points are assigned for the various programs conducted on traffic safety enforcement, education and engineering and emergency response - and for demonstrating success from those programs.

ACTION NEEDED:

No action needed.

CC: George Brajkovic, City Manager



Office of the City Manager
AGENDA STATEMENT

DATE: February 20, 2018
To: Honorable Mayor Jason K. Ward and Members of the City Council
FROM: Dan Porter, Assistant City Manager
SUBJECT: Police Department Promotions

DISCUSSION:

Staff would like to take an opportunity to recognize several recent promotions in the Police Department. The new roles became effective on February 18.

Brandon Marshall has been promoted from the Sergeant position to fill the vacant Lieutenant position in the Police Department.

Officer Bobby Knowles has been selected to fill the vacant Sergeant position in the Police Department.

ACTION NEEDED:

No action needed.

cc: Jeff Brandau, Police Chief
George Brajkovic, City Manager



Office of the City Manager
AGENDA STATEMENT

DATE: February 20, 2018
To: Honorable Mayor Jason K. Ward and Members of the City Council
FROM: George Brajkovic, City Manager
SUBJECT: Resolution No. 02-18-02, General Obligation Library Bonds

DISCUSSION:

As a follow-up to the motion made and unanimously approved at the December 4, 2017 City Council meeting, which set a \$3.75M cap amount for the land acquisition and construction of a new Public Library, and to the Reimbursement Resolution No. 12-17-04 adopted at the December 18, 2017 Council meeting, the City Council can now consider Resolution No. 02-18-02, authorizing the offering for sale of General Obligation Bonds

Pursuant to K.S.A. 12-187, the City was required to publish notice to issue bonds once each week for two consecutive weeks, and allow for a 30 day protest period following the last publication; that period has elapsed.

Therefore, the following timeline has been amended for the bond process:

December 18, 2017 – City Council meeting, Reimbursement, Resolution No. 12-17-04

February 20, 2018 – City Council meeting, set bond sale date, Resolution No. 02-18-02

March 19, 2018 – City Council meeting, approval of bond sale

Week of April 2, 2018 – targeted for closing

BUDGET IMPACT:

None.

ACTION NEEDED:

Make a motion to adopt Resolution 02-18-02.

ATTACHMENTS:

Resolution 02-18-02

Recommendation for Issuance of Bonds

Excerpt of Meeting Minutes

cc: File

RESOLUTION NO. 02-18-02

A RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF GENERAL OBLIGATION SALES TAX BONDS, SERIES 2018, OF THE CITY OF TONGANOXIE, KANSAS.

WHEREAS, the City of Tonganoxie, Kansas (the “Issuer”), has previously authorized certain internal improvements described as follows (the “Improvements”):

| <u>Project Description</u> | <u>Res. No.</u> | <u>Authority (K.S.A.)</u> | <u>Amount</u> |
|----------------------------|-----------------|------------------------------|---------------|
| Library improvements | 12-17-04 | K.S.A. 12-187 <i>et seq.</i> | \$3,850,000 |

WHEREAS, the Issuer proposes to issue its general obligation sales tax bonds to pay the costs of the Improvements; and

WHEREAS, the governing body of the Issuer (the “Governing Body”) has selected the firm of Springsted Incorporated, Kansas City, Missouri (the “Municipal Advisor”), as municipal advisor for one or more series of general obligation sales tax bonds of the Issuer to be issued in order to provide funds to permanently finance the Improvements; and

WHEREAS, the Issuer desires to authorize the Municipal Advisor to proceed with the offering for sale of said general obligation sales tax bonds and related activities; and

WHEREAS, one of the duties and responsibilities of the Issuer is to prepare and distribute a preliminary official statement relating to said general obligation sales tax bonds; and

WHEREAS, the Issuer desires to authorize the Municipal Advisor and Gilmore & Bell, P.C., Wichita, Kansas, the Issuer’s bond counsel (“Bond Counsel”), in conjunction with the Clerk to proceed with the preparation and distribution of a preliminary official statement and notice of bond sale and to authorize the distribution thereof and all other preliminary action necessary to sell said general obligation sales tax bonds.

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF TONGANOXIE, KANSAS, AS FOLLOWS:

Section 1. Subject to the feasibility study required by K.S.A. 12-187 *et seq.*, there is hereby authorized to be offered for sale the Issuer’s General Obligation Sales Tax Bonds, Series 2018 (the “Bonds”) described in the Notice of Bond Sale, which is hereby approved in substantially the form presented to the Governing Body this date (the “Notice of Bond Sale”). All proposals for the purchase of the Bonds shall be delivered to the Governing Body at its meeting to be held on the sale date referenced in the Notice of Bond Sale, at which meeting the Governing Body shall review such bids and award the sale of the Bonds or reject all proposals.

Section 2. The Mayor, Assistant City Manager and Clerk in conjunction with the Municipal Advisor and Bond Counsel are hereby authorized to cause to be prepared a Preliminary Official Statement relating to the Bonds (the “Preliminary Official Statement”), and such officials and other representatives of the Issuer are hereby authorized to use such document in connection with the sale of the Bonds.

Section 3. The Clerk, in conjunction with the Municipal Advisor and Bond Counsel, is hereby authorized and directed to give notice of said bond sale by publishing a summary of the Notice of Bond Sale not less than 6 days before the date of the bond sale in a newspaper of general circulation in Leavenworth County, Kansas, and the *Kansas Register* and by distributing copies of the Notice of Bond Sale and Preliminary Official Statement to prospective purchasers of the Bonds. Proposals for the purchase of the Bonds shall be submitted upon the terms and conditions set forth in the Notice of Bond Sale, and awarded or rejected in the manner set forth in the Notice of Bond Sale.

Section 4. For the purpose of enabling the purchaser of the Bonds (the “Purchaser”) to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), the Mayor and Assistant City Manager are hereby authorized: (a) to approve the form of the Preliminary Official Statement and to execute the “Certificate Deeming Preliminary Official Statement Final” in substantially the form attached hereto as *Exhibit A* as approval of the Preliminary Official Statement, such official’s signature thereon being conclusive evidence of such official’s and the Issuer’s approval thereof; (b) covenant to provide continuous secondary market disclosure by annually transmitting certain financial information and operating data and other information necessary to comply with the Rule to the Municipal Securities Rulemaking Board; and (c) take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Purchaser to comply with the requirement of the Rule.

Section 5. The Issuer agrees to provide to the Purchaser within seven business days of the date of the sale of Bonds or within sufficient time to accompany any confirmation that requests payment from any customer of the Purchaser, whichever is earlier, sufficient copies of the final Official Statement to enable the Purchaser to comply with the requirements of the Rule and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 6. The Mayor, City Manager, Assistant City Manager, Clerk and the other officers and representatives of the Issuer, the Municipal Advisor and Bond Counsel are hereby authorized and directed to take such other action as may be necessary to carry out the sale of the Bonds.

Section 7. This Resolution shall be in full force and effect from and after its adoption by the Governing Body.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

ADOPTED by the Governing Body on February 20, 2018.

(SEAL)

Mayor

ATTEST:

Clerk

City of Tonganoxie, Kansas

Recommendations for Issuance of Bonds

\$3,850,000 General Obligation Library Bonds, Series 2018A

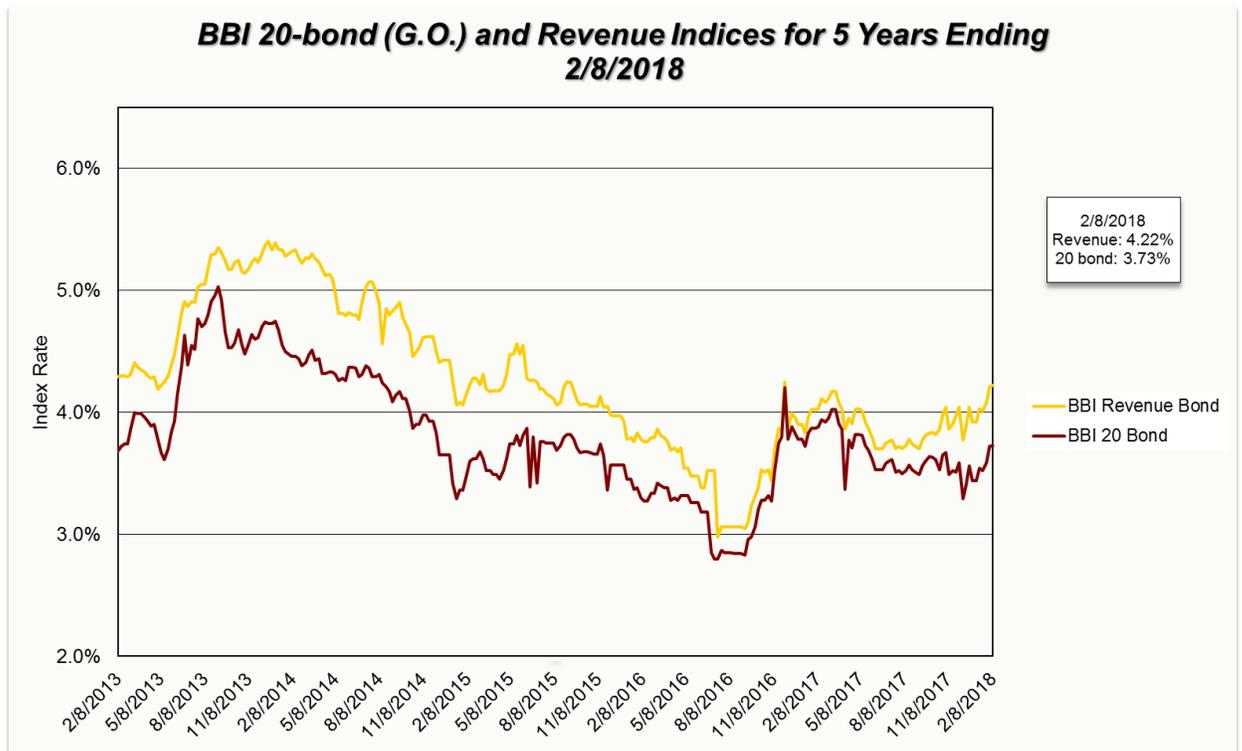
The Council has under consideration the issuance of bonds to finance the construction of a new library located in the City. This document provides information relative to the proposed issuance.

KEY EVENTS: The following summary schedule includes the timing of some of the key events that will occur relative to the bond issuance.

| | |
|-----------------------------------|---|
| February 20, 2018 | Council sets sale date and terms |
| Week of March 5, 2018 | Rating conference is conducted |
| March 19, 2018, 10:00 a.m. | Competitive bids are received |
| March 19, 2018, 7:00 p.m. | Council considers award of the Bonds |
| April 19, 2018 | Proceeds are received |

RATING: An application will be made to Moody's Investors Service (Moody's) for a rating on the Bonds. The City's general obligation debt is currently rated "A2" by Moody's.

THE MARKET: General performance of the tax-exempt market is often measured by the Bond Buyer's Index ("BBI") which measures the yield of high grade municipal bonds in the 20th year for general obligation bonds (the BBI 20 Bond Index) and the 30th year for revenue bonds (the BBI Revenue Bond Index). The following chart illustrates these two indices over the past five years.



POST ISSUANCE COMPLIANCE:

The issuance of the Bonds will result in post-issuance compliance responsibilities. The responsibilities are in two primary areas: i) compliance with federal arbitrage requirements and ii) compliance with secondary disclosure requirements.

Federal arbitrage requirements include a wide range of implications that have been taken into account as this issue has been structured. Post-issuance compliance responsibilities for this tax-exempt issue include both rebate and yield restriction provisions of the IRS Code. In general terms the arbitrage requirements control the earnings on unexpended bond proceeds, including investment earnings, moneys held for debt service payments (which are considered to be proceeds under the IRS regulations), and/or reserves. Under certain circumstances any “excess earnings” will need to be paid to the IRS to maintain the tax-exempt status of the Bonds. Any interest earnings on gross bond proceeds or debt service funds should not be spent until it has been determined based on actual facts that they are not “excess earnings” as defined by the IRS Code.

There is an exemption from rebate for a municipality that issues \$5 million or less of tax-exempt obligations in a calendar year. Since the City does not expect to issue more than \$5 million in tax-exempt obligations in 2018, the Bonds will be exempt from rebate.

Regardless of whether the issue qualifies for an exemption from the rebate provisions, yield restriction provisions will apply to the debt service fund and should be monitored on an ongoing basis.

The City contracts with a third party to provide arbitrage compliance services and will continue that practice regarding the Bonds.

Secondary disclosure requirements result from an SEC requirement that underwriters provide ongoing disclosure information to investors. To meet this requirement, any prospective underwriter will require the City to commit to providing the information needed to comply under a continuing disclosure agreement.

Springsted currently provides continuing disclosure services to the City and will work with the City to include the Bonds under the existing Agreement for Municipal Advisor Services.

SUPPLEMENTAL INFORMATION AND BOND RECORD:

Supplementary information will be available to staff including detailed terms and conditions of sale, comprehensive structuring schedules and information to assist in meeting post-issuance compliance responsibilities.

Upon completion of the financing, a bond record will be provided that contains pertinent documents and final debt service calculations for the transaction.

PURPOSE:

Proceeds of the Bonds will be used to finance the construction of a library located within the City.

AUTHORITY:

The Bonds are being issued pursuant to K.S.A. 12-187 *et. seq.* and the Bond Resolution to be adopted by the City on February 20, 2018.

**SECURITY AND
SOURCE OF
PAYMENT:**

The Bonds will be general obligations of the City payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City.

The City levied for the Bonds in 2017 for collection in 2018. Each year's collection of taxes will be used to pay the debt service requirements in the collection year. The City expects to use sales tax revenues to pay the debt service on the Bonds.

**STRUCTURING
SUMMARY:**

In consultation with the City, the Bonds have been structured with principal being paid over a term of twenty years with approximately level annual payments of debt service.

**SCHEDULES
ATTACHED:**

Schedules attached include sources and uses of funds and debt service schedule given the current interest rate environment.

**RISKS/SPECIAL
CONSIDERATIONS:**

The outcome of this financing will rely on the market conditions at the time of the sale. Any projections included herein are estimates based on current market conditions.

**SALE TERMS AND
MARKETING:**

Variability of Issue Size: A specific provision in the sale terms permits modifications to the issue size and/or maturity structure to customize the issue once the price and interest rates are set on the day of sale.

Prepayment Provisions: Bonds maturing on or after September 1, 2028 may be prepaid at a price of par plus accrued interest on or after September 1, 2027.

Bank Qualification: The City does not expect to issue more than \$10 million in tax-exempt obligations that count against the \$10 million limit for this calendar year; therefore, the Bonds are designated as bank qualified.

\$3,850,000

City of Tonganoxie, Kansas
General Obligation Library Bonds, Series 2018A

Sources & Uses

Dated 04/19/2018 | Delivered 04/19/2018

Sources Of Funds

Par Amount of Bonds..... \$3,850,000.00

Total Sources..... \$3,850,000.00

Uses Of Funds

Deposit to Project Construction Fund..... 3,750,000.00

Costs of Issuance..... 48,940.00

Total Underwriter's Discount (1.200%)..... 46,200.00

Rounding Amount..... 4,860.00

Total Uses..... \$3,850,000.00

\$3,850,000

City of Tonganoxie, Kansas
General Obligation Library Bonds, Series 2018A

DEBT SERVICE SCHEDULE

| Date | Principal | Coupon | Interest | Total P+I | Fiscal Total |
|------------|----------------|--------|----------------|----------------|--------------|
| 04/19/2018 | - | - | - | - | - |
| 09/01/2018 | - | - | 41,828.42 | 41,828.42 | 41,828.42 |
| 03/01/2019 | - | - | 57,038.75 | 57,038.75 | - |
| 09/01/2019 | 150,000.00 | 1.700% | 57,038.75 | 207,038.75 | 264,077.50 |
| 03/01/2020 | - | - | 55,763.75 | 55,763.75 | - |
| 09/01/2020 | 155,000.00 | 1.900% | 55,763.75 | 210,763.75 | 266,527.50 |
| 03/01/2021 | - | - | 54,291.25 | 54,291.25 | - |
| 09/01/2021 | 155,000.00 | 2.050% | 54,291.25 | 209,291.25 | 263,582.50 |
| 03/01/2022 | - | - | 52,702.50 | 52,702.50 | - |
| 09/01/2022 | 160,000.00 | 2.150% | 52,702.50 | 212,702.50 | 265,405.00 |
| 03/01/2023 | - | - | 50,982.50 | 50,982.50 | - |
| 09/01/2023 | 160,000.00 | 2.300% | 50,982.50 | 210,982.50 | 261,965.00 |
| 03/01/2024 | - | - | 49,142.50 | 49,142.50 | - |
| 09/01/2024 | 165,000.00 | 2.450% | 49,142.50 | 214,142.50 | 263,285.00 |
| 03/01/2025 | - | - | 47,121.25 | 47,121.25 | - |
| 09/01/2025 | 170,000.00 | 2.600% | 47,121.25 | 217,121.25 | 264,242.50 |
| 03/01/2026 | - | - | 44,911.25 | 44,911.25 | - |
| 09/01/2026 | 175,000.00 | 2.700% | 44,911.25 | 219,911.25 | 264,822.50 |
| 03/01/2027 | - | - | 42,548.75 | 42,548.75 | - |
| 09/01/2027 | 180,000.00 | 2.800% | 42,548.75 | 222,548.75 | 265,097.50 |
| 03/01/2028 | - | - | 40,028.75 | 40,028.75 | - |
| 09/01/2028 | 185,000.00 | 2.900% | 40,028.75 | 225,028.75 | 265,057.50 |
| 03/01/2029 | - | - | 37,346.25 | 37,346.25 | - |
| 09/01/2029 | 190,000.00 | 3.000% | 37,346.25 | 227,346.25 | 264,692.50 |
| 03/01/2030 | - | - | 34,496.25 | 34,496.25 | - |
| 09/01/2030 | 195,000.00 | 3.150% | 34,496.25 | 229,496.25 | 263,992.50 |
| 03/01/2031 | - | - | 31,425.00 | 31,425.00 | - |
| 09/01/2031 | 200,000.00 | 3.250% | 31,425.00 | 231,425.00 | 262,850.00 |
| 03/01/2032 | - | - | 28,175.00 | 28,175.00 | - |
| 09/01/2032 | 210,000.00 | 3.300% | 28,175.00 | 238,175.00 | 266,350.00 |
| 03/01/2033 | - | - | 24,710.00 | 24,710.00 | - |
| 09/01/2033 | 215,000.00 | 3.400% | 24,710.00 | 239,710.00 | 264,420.00 |
| 03/01/2034 | - | - | 21,055.00 | 21,055.00 | - |
| 09/01/2034 | 220,000.00 | 3.450% | 21,055.00 | 241,055.00 | 262,110.00 |
| 03/01/2035 | - | - | 17,260.00 | 17,260.00 | - |
| 09/01/2035 | 230,000.00 | 3.500% | 17,260.00 | 247,260.00 | 264,520.00 |
| 03/01/2036 | - | - | 13,235.00 | 13,235.00 | - |
| 09/01/2036 | 235,000.00 | 3.550% | 13,235.00 | 248,235.00 | 261,470.00 |
| 03/01/2037 | - | - | 9,063.75 | 9,063.75 | - |
| 09/01/2037 | 245,000.00 | 3.600% | 9,063.75 | 254,063.75 | 263,127.50 |
| 03/01/2038 | - | - | 4,653.75 | 4,653.75 | - |
| 09/01/2038 | 255,000.00 | 3.650% | 4,653.75 | 259,653.75 | 264,307.50 |
| Total | \$3,850,000.00 | - | \$1,473,730.92 | \$5,323,730.92 | - |

SIGNIFICANT DATES

| | |
|------------------------|-----------|
| Dated Date..... | 4/19/2018 |
| Delivery Date..... | 4/19/2018 |
| First Coupon Date..... | 9/01/2018 |

Yield Statistics

| | |
|--|--------------|
| Bond Year Dollars..... | \$45,436.67 |
| Average Life..... | 11.802 Years |
| Average Coupon..... | 3.2434838% |
| Net Interest Cost (NIC)..... | 3.3451638% |
| True Interest Cost (TIC)..... | 3.3413944% |
| Bond Yield for Arbitrage Purposes..... | 3.2136510% |
| All Inclusive Cost (AIC)..... | 3.4791328% |

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| | |
|--------------------------------|--------------|
| Net Interest Cost..... | 3.2434838% |
| Weighted Average Maturity..... | 11.802 Years |

2018 GO Library Bonds \$3. | SINGLE PURPOSE | 2/ 6/20 18 | 12:5 PM

**EXCERPT OF MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF TONGANOXIE, KANSAS
HELD ON FEBRUARY 20, 2018**

The Council (the "Governing Body") met in regular session at the usual meeting place in the City, at 7:00 p.m., the following members being present and participating, to-wit:

Absent:

The Mayor declared that a quorum was present and called the meeting to order.

(Other Proceedings)

The matter of providing for the offering for sale of General Obligation Sales Tax Bonds, Series 2018, came on for consideration and was discussed.

Councilmember _____ presented and moved the adoption of a Resolution entitled:

**A RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF GENERAL
OBLIGATION SALES TAX BONDS, SERIES 2018, OF THE CITY OF
TONGANOXIE, KANSAS.**

Councilmember _____ seconded the motion to adopt the Resolution. Thereupon, the Resolution was read and considered, and, the question being put to a roll call vote, the vote thereon was as follows:

Aye: _____.

Nay: _____.

The Mayor declared the Resolution duly adopted by the Governing Body and the Clerk designated the same Resolution No. [_____].

(Other Proceedings)

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

CERTIFICATE

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the Governing Body of the City of Tonganoxie, Kansas, held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

(SEAL)

Clerk